

CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION

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Insurance Commissioner

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF CALIFORNIA
SACRAMENTO**

In the Matter of:

**FIRST AMENDED ORDER TO CEASE
AND DESIST; ORDER TO SHOW CAUSE;
NOTICE OF RIGHT TO HEARING; and
NOTICE OF ADDITIONAL FINE**
(Cal. Ins. Code §§ 12921.8 and 15006)

**PARAMOUNT DISASTER
RECOVERY, INC.,** a California
Corporation;

File No: SAC 10701-A;

STEVE SLEPCEVIC, an individual;

File No: SAC 10704-A;

**CHARLIE ROSE, a.k.a. REED
LOSTMAN,** an individual; and

File No: SAC 10705-A;

MATTHEW TODD, an individual,

File No: SAC 10706-A;

Respondents.

JURISDICTION AND PARTIES

1. The California Department of Insurance (hereafter “Department”) brings this matter before the Insurance Commissioner of the State of California (hereafter “Insurance Commissioner”), pursuant to the provisions of California Insurance Code sections 12921.8 and 15006(c).

2. Respondent, PARAMOUNT DISASTER RECOVERY, INC. (hereafter “PARAMOUNT”), a California corporation, with its principal offices located at 27520

1 Hawthorne Boulevard, Suite 176, in Palos Verdes, California, that was formerly known as West
2 Coast Paramount Construction, Inc. prior to April of 2004, is not now nor has ever been licensed
3 by the California Insurance Commissioner, to act in any capacity regarding the transaction of
4 insurance, including but not limited to act in the capacity of a Public Insurance Adjuster, pursuant
5 to California Insurance Code section 15006.

6 3. Respondent, STEVE SLEPCEVIC (hereafter "SLEPCEVIC"), is an individual
7 who is not now, nor has ever been, licensed by the California Insurance Commissioner, to act in
8 any capacity regarding the transaction of insurance, including but not limited to act in the
9 capacity of a Public Insurance Adjuster, pursuant to California Insurance Code section 15006, and
10 is the Chief Executive Officer of Respondent PARAMOUNT.

11 4. Respondent, CHARLIE ROSE a.k.a. REED LOSTMAN (hereafter "ROSE"), is an
12 individual who is not now, nor has ever been, licensed by the California Insurance Commissioner,
13 to act in any capacity regarding the transaction of insurance, including but not limited to act in the
14 capacity of a Public Insurance Adjuster, pursuant to California Insurance Code section 15006.

15 5. Respondent, MATTHEW TODD (hereafter "TODD"), is an individual who is not
16 now, nor has ever been, licensed by the California Insurance Commissioner, to act in any capacity
17 regarding the transaction of insurance, including but not limited to act in the capacity of a Public
18 Insurance Adjuster, pursuant to California Insurance Code section 15006.

19 **FINDINGS & AUTHORITY**

20 6. California Insurance Code section 12921.8(a)(1) authorizes the Insurance
21 Commissioner to issue a Cease and Desist Order to a person who has acted in a capacity for
22 which a license, registration, or certificate of authority from the commissioner was required but
23 not possessed.

24 7. California Insurance Code section 12921.8(a)(2) authorizes the Insurance
25 Commissioner to issue a Cease and Desist Order to a person who has aided and abetted a person
26 described in California Insurance Code section 12921.8(a)(1).
27
28

1 8. California Insurance Code section 12921.8(a)(3) authorizes the Insurance
2 Commissioner to impose a monetary penalty, pursuant to an order to show cause, on a person
3 described in paragraph (a)(1) or (a)(2).

4 9. California Insurance Code section 12921.8(c) authorizes the Insurance
5 Commissioner to issue a Cease and Desist Order without holding a hearing prior to issuance of
6 said Order.

7 10. California Insurance Code section 15006(b) provides that “Any contract for
8 services regulated by [the Public Insurance Adjuster Act] that is entered into by an insured with
9 any person who is in violation of subdivision (a) may be voided at the option of the insured, and
10 the insured shall not be liable for the payment of any past services rendered, or future services to
11 be rendered, by that person under that contract or otherwise.

12 11. California Insurance Code section 15006(c) provides that “Whenever it appears to
13 the commissioner that any person is engaging in acts or practices in violation of subdivision (a) ¹,
14 the commissioner may, without any requirement of notice or hearing, issue and cause to be served
15 upon that person an order requiring that person to cease and desist immediately from engaging
16 further in those acts or practices.”

17 12. California Insurance Code section 15006(e) provides that “The powers vested in
18 the commissioner by this section are in addition to any and all other powers and remedies vested
19 in the commissioner by law, and nothing herein shall be construed as requiring the commissioner
20 to employ the powers conferred in this section instead of or as a condition precedent to the
21 exercise of any other power or remedy vested in the commissioner.”

22 13. In or around March 2000, the Department was informed that PARAMOUNT
23 offered customers or potential customers Contract/Authorization/Designations that included the
24 following language: “If insured elects not to repair property, but instead receives loss settlement

25 ¹ “No person shall engage in a business regulated by [the Public Insurance Adjuster Act], or act or assume to act as,
26 or represent himself or herself to be, a licensee unless he or she is licensed under this chapter. Any person who
27 violates this subdivision shall, in addition to any other penalties provided by law, be liable to the state for a civil
28 penalty in an amount not exceeding ten thousand dollars (\$10,000), or if the violation is willful, in an amount not
exceeding twenty-five thousand dollars (\$25,000). The penalty shall be assessed and recovered in a civil action
brought by the commissioner in a court of competent jurisdiction in the name of the people of the State of
California.” (Cal. Ins. Code § 15006(a)).

1 from insurance company, Paramount shall receive 20% of THE AGREED UPON ESTIMATE,
2 without deduction for depreciation or Insured's deductible."

3 14. After interviews and discussions between Department personnel and
4 PARAMOUNT regarding the contract language identified in paragraph number 13 herein,
5 PARAMOUNT represented to the Department, in written correspondence dated January 22,
6 2003, that at that time the only contract they were using did not include the language contained in
7 paragraph number 13 herein, but instead included the following contract language: "Paramount
8 will be paid for in full for repairing/replacing Client's damaged property. Paramount will receive
9 the full amount of the total agreed upon estimate (i.e. the estimate Paramount and the Insurance
10 Company agree upon), without deduction for depreciation or Client's deductible. Paramount
11 shall perform all work according to the agreed upon estimate and will perform all work to meet
12 current uniform building codes and/or restore property to pre-loss condition."

13 15. From on or about June 24, 2007, until on or about July 10, 2007, a wildfire
14 (hereafter "Angora Fire") located West of South Lake Tahoe, in the County of El Dorado, State
15 of California burned 3,100 acres of land, destroyed 242 residential properties and 67 commercial
16 structures, damaged 35 residential properties, and injured 3 people.

17 **King & Sanchez**

18 16. On or about June 24, 2007, Ken King and Rosemary Sanchez (hereafter
19 (King/Sanchez), owned residential real property and personal property located within the
20 boundaries of the Angora Fire, and sustained damage to their real and personal property as a
21 result of the Angora Fire.

22 17. On or about July 4, 2007, PARAMOUNT, by and through its agents, ROSE and
23 TODD, met with Ken King and Rosemary Sanchez to discuss estimating their loss from the
24 Angora Fire, negotiating with their insurance company and repairing the damage to their
25 property, and entered into a Contract/Work Authorization/Designation with Ken King and
26 Rosemary Sanchez, whereby PARAMOUNT agreed to perform the following services:

- 27 a. If required, mitigate emergency damages to the affected areas and prepare an
28 Emergency Services Scope and Cost of Repair invoice to be provided to Client's
Insurance Company.

- 1 b. Prepare a Property Damage Scope and Cost Repair Report.
- 2 c. Provide all necessary documentation and coordinate inspections with Client's
- 3 Insurance Company regarding the Property Damage Scope and Cost Repair
- 4 Report.
- 5 d. Provide all necessary repair work as per the approved Property Damage Scope and
- 6 Cost of Repair Report, if Client and Paramount agree that Paramount is to perform
- 7 such work.
- 8 e. Supervise and evaluate the calculation of content and/or inventory losses to be
- 9 submitted to the Insurance Company, if applicable, based solely on information
- 10 furnished by Client and/or through consultants.
- 11 18. For providing the services identified in paragraph number 17 herein,
- 12 PARAMOUNT agreed to accept the following "Fees for Services:
- 13 a. In the event Client authorizes Paramount to perform necessary emergency service
- 14 repairs, Client shall be fully responsible for the costs of said repairs. Paramount
- 15 will directly bill Client's Insurance Company for emergency service repairs, but
- 16 doing so shall not relieve Client from liability for such charges until paid in full.
- 17 b. In the event Paramount repairs Client's property, Client shall pay Paramount the
- 18 total amount set forth in the agreed upon Property Damage Scope and Cost of
- 19 Repair Report. Provided the Client's Insurance Policy contains code upgrade and
- 20 pollution coverage, Paramount guarantees that all work will meet or exceed
- 21 uniform building codes.
- 22 c. **If Client and/or Paramount elect not to have property repaired by**
- 23 **Paramount, Client shall pay Paramount 20% out of the total full amount of**
- 24 **the loss settlement negotiated with and agreed to by Client's Insurance**
- 25 **Company. Paramount will receive its 20% payment from the initial payment**
- 26 **received by the Client from the Insurance Company."** (Emphasis added).
- 27 19. On or about July 5, 2007, Greg Stover, Catastrophe Adjuster for AAA Insurance
- 28 (the insurer on King/Sanchez's homeowner's policy for said real property) arranged to have
- COIT Restoration (hereafter "COIT") meet with Ken King and Rosemary Sanchez at their
- residence to inspect the damage to the King/Sanchez home. Upon their arrival, COIT was met by
- PARAMOUNT'S agent ROSE, who instructed COIT to leave the premises.
20. On or about July 6, 2007, COIT returned to the King/Sanchez residence with Greg
- Stover. They were met by PARAMOUNT'S agent ROSE, who inquired as to the limits and

1 provisions of the King/Sanchez insurance policy so that PARAMOUNT, by and through its agent,
2 ROSE, could prepare an estimate of the damage to the King/Sanchez property.

3 21. On or about July 11, 2007, Greg Stover provided King/Sanchez with an estimate
4 for the cost to repair the damages to their residence in the amount of \$22,733.81.

5 22. On or about July 11, 2007, PARAMOUNT provided King/Sanchez with their own
6 estimate for the cost to repair the damages to their residence in the amount of \$76,335.40.

7 23. Beginning on or about July 11, 2007, and continuing thereafter, PARAMOUNT,
8 by and through its agents SLEPCEVIC and ROSE have attempted to negotiate a settlement with
9 Greg Stover, on behalf of King/Sanchez, regarding the claim for damages to King/Sanchez's real
10 and personal property.

11 24. On or about July 25, 2007, PARAMOUNT hand delivered a Notice to Carrier to
12 Greg Stover on behalf of King/Sanchez that instructs and authorizes AAA to:

- 13 a. Directly communicate with regard to this loss/claim and cooperate with
14 Paramount, its staff and team of experts and supply all pertinent documents in
15 connection with the loss/claim above to Paramount with specific regard to the
16 scope of work, cost to repair, replace or restore: (sic) and construction/restoration
17 timeline as said (sic) forth in the Scope of Damage and Cost of Repair Report and
18 other documents related to this off/claim (sic).
- 19 b. Insert/add/include Paramount as an additional payee on each draft issued toward
20 payment of the claim referenced above and promptly disburse payment directly to
21 Paramount for all invoices submitted.
- 22 c. The foregoing instructions are irrevocable and may not be amended, modified,
23 revoked or changed in any way without the express prior written consent of
24 Paramount. Client hereby grants Paramount a lien on the insurance proceeds and
25 the right to receive such proceeds for services provided on the Client's claim
26 identified above and on any and all proceeds of any recovery obtained.

27 **Rossi**

28 25. On or about June 24, 2007, Mika Rossi (hereafter "Rossi") owned residential real
property and personal property located within the boundaries of the Angora Fire, and sustained
damage to their real and personal property as a result of the Angora Fire.

26 26. On or about July 14, 2007, PARAMOUNT, by and through its agent, ROSE,
27 entered into a Contract/Work Authorization/Designation with Rossi, whereby PARAMOUNT
28

1 agreed to perform the following services:

- 2 a. If required, mitigate emergency damages to the affected areas and prepare an
3 Emergency Services Scope and Cost of Repair invoice to be provided to Client's
4 Insurance Company.
- 5 b. Prepare a Property Damage Scope and Cost Repair Report.
- 6 c. Provide all necessary documentation and coordinate inspections with Client's
7 Insurance Company regarding the Property Damage Scope and Cost Repair
8 Report.
- 9 d. Provide all necessary repair work as per the approved Property Damage Scope and
10 Cost of Repair Report, if Client and Paramount agree that Paramount is to perform
11 such work.
- 12 e. Supervise and evaluate the calculation of content and/or inventory losses to be
13 submitted to the Insurance Company, if applicable, based solely on information
14 furnished by Client and/or through consultants.
- 15 27. For providing the services identified in paragraph number 26 herein,

16 PARAMOUNT agreed to accept the following "Fees for Services:

- 17 a. In the event Client authorizes Paramount to perform necessary emergency service
18 repairs, Client shall be fully responsible for the costs of said repairs. Paramount
19 will directly bill Client's Insurance Company for emergency service repairs, but
20 doing so shall not relieve Client from liability for such charges until paid in full.
- 21 b. In the event Paramount repairs Client's property, Client shall pay Paramount the
22 total amount set forth in the agreed upon Property Damage Scope and Cost of
23 Repair Report. Provided the Client's Insurance Policy contains code upgrade and
24 pollution coverage, Paramount guarantees that all work will meet or exceed
25 uniform building codes.
- 26 c. **If Client and/or Paramount elect not to have property repaired by
27 Paramount, Client shall pay Paramount 20% out of the total full amount of
28 the loss settlement negotiated with and agreed to by Client's Insurance
Company. Paramount will receive its 20% payment from the initial payment
received by the Client from the Insurance Company."** (Emphasis added).

29 28. On or about July 25, 2007, PARAMOUNT hand delivered a Notice to Carrier to
30 Greg Stover on behalf of Rossi that instructs and authorizes AAA to:

- 31 a. Directly communicate with regard to this loss/claim and cooperate with
32 Paramount, its staff and team of experts and supply all pertinent documents in
33 connection with the loss/claim above to Paramount with specific regard to the
34 scope of work, cost to repair, replace or restore: (sic) and construction/restoration

1 timeline as said (sic) forth in the Scope of Damage and Cost of Repair Report and
2 other documents related to this off/claim (sic).

- 3 b. Insert/add/include Paramount as an additional payee on each draft issued toward
4 payment of the claim referenced above and promptly disburse payment directly to
5 Paramount for all invoices submitted.
- 6 c. The foregoing instructions are irrevocable and may not be amended, modified,
7 revoked or changed in any way without the express prior written consent of
8 Paramount. Client hereby grants Paramount a lien on the insurance proceeds and
9 the right to receive such proceeds for services provided on the Client's claim
10 identified above and on any and all proceeds of any recovery obtained.

11 **Langlois & Gunson**

12 29. On or about June 24, 2007, Ralph Langlois and Mary Gunson (hereafter
13 "Langlois/Gunson") owned residential real property and personal property located within the
14 boundaries of the Angora Fire, and sustained damage to their real and personal property as a
15 result of the Angora Fire.

16 30. On or about July 8, 2007, PARAMOUNT, by and through its agent, ROSE,
17 entered into a Contract/Work Authorization/Designation with Langlois/Gunson, whereby
18 PARAMOUNT agreed to perform the following services:

- 19 a. If required, mitigate emergency damages to the affected areas and prepare an
20 Emergency Services Scope and Cost of Repair invoice to be provided to Client's
21 Insurance Company.
- 22 b. Prepare a Property Damage Scope and Cost Repair Report.
- 23 c. Provide all necessary documentation and coordinate inspections with Client's
24 Insurance Company regarding the Property Damage Scope and Cost Repair
25 Report.
- 26 d. Provide all necessary repair work as per the approved Property Damage Scope and
27 Cost of Repair Report, if Client and Paramount agree that Paramount is to perform
28 such work.
- 29 e. Supervise and evaluate the calculation of content and/or inventory losses to be
30 submitted to the Insurance Company, if applicable, based solely on information
31 furnished by Client and/or through consultants.

32 31. For providing the services identified in paragraph number 30 herein,
33 PARAMOUNT agreed to accept the following "Fees for Services:

- 1 a. In the event Client authorizes Paramount to perform necessary emergency service
2 repairs, Client shall be fully responsible for the costs of said repairs. Paramount
3 will directly bill Client's Insurance Company for emergency service repairs, but
4 doing so shall not relieve Client from liability for such charges until paid in full.
- 5 b. In the event Paramount repairs Client's property, Client shall pay Paramount the
6 total amount set forth in the agreed upon Property Damage Scope and Cost of
7 Repair Report. Provided the Client's Insurance Policy contains code upgrade and
8 pollution coverage, Paramount guarantees that all work will meet or exceed
9 uniform building codes.
- 10 c. **If Client and/or Paramount elect not to have property repaired by
11 Paramount, Client shall pay Paramount 20% out of the total full amount of
12 the loss settlement negotiated with and agreed to by Client's Insurance
13 Company. Paramount will receive its 20% payment from the initial payment
14 received by the Client from the Insurance Company.” (Emphasis added).”**

15 **Coln**

16 32. On or about June 24, 2007, Neil Coln (hereafter “Coln”) owned residential real
17 property and personal property located within the boundaries of the Angora Fire, and sustained
18 damage to his real and personal property as a result of the Angora Fire.

19 33. On or about July 17, 2007, PARAMOUNT, by and through its agent, ROSE,
20 entered into a Contract/Work Authorization/Designation with Coln, whereby PARAMOUNT
21 agreed to perform the following services:

- 22 a. If required, mitigate emergency damages to the affected areas and prepare an
23 Emergency Services Scope and Cost of Repair invoice to be provided to Client's
24 Insurance Company.
- 25 b. Prepare a Property Damage Scope and Cost Repair Report.
- 26 c. Provide all necessary documentation and coordinate inspections with Client's
27 Insurance Company regarding the Property Damage Scope and Cost Repair
28 Report.
- 29 d. Provide all necessary repair work as per the approved Property Damage Scope and
30 Cost of Repair Report, if Client and Paramount agree that Paramount is to perform
31 such work.
- 32 e. Supervise and evaluate the calculation of content and/or inventory losses to be
33 submitted to the Insurance Company, if applicable, based solely on information
34 furnished by Client and/or through consultants.

1 34. For providing the services identified in paragraph number 33 herein,
2 PARAMOUNT agreed to accept the following “Fees for Services:

- 3 a. In the event Client authorizes Paramount to perform necessary emergency service
4 repairs, Client shall be fully responsible for the costs of said repairs. Paramount
5 will directly bill Client’s Insurance Company for emergency service repairs, but
6 doing so shall not relieve Client from liability for such charges until paid in full.
- 7 b. In the event Paramount repairs Client’s property, Client shall pay Paramount the
8 total amount set forth in the agreed upon Property Damage Scope and Cost of
9 Repair Report. Provided the Client’s Insurance Policy contains code upgrade and
10 pollution coverage, Paramount guarantees that all work will meet or exceed
11 uniform building codes.
- 12 c. **If Client and/or Paramount elect not to have property repaired by
13 Paramount, Client shall pay Paramount 20% out of the total full amount of
14 the loss settlement negotiated with and agreed to by Client’s Insurance
15 Company. Paramount will receive its 20% payment from the initial payment
16 received by the Client from the Insurance Company.” (Emphasis added).**

17 35. On or about July 24, 2007, PARAMOUNT hand delivered a Notice to Carrier to
18 Greg Stover on behalf of Coln that instructs and authorizes AAA to:

- 19 a. Directly communicate with regard to this loss/claim and cooperate with
20 Paramount, its staff and team of experts and supply all pertinent documents in
21 connection with the loss/claim above to Paramount with specific regard to the
22 scope of work, cost to repair, replace or restore: (sic) and construction/restoration
23 timeline as said (sic) forth in the Scope of Damage and Cost of Repair Report and
24 other documents related to this off/claim (sic).
- 25 b. Insert/add/include Paramount as an additional payee on each draft issued toward
26 payment of the claim referenced above and promptly disburse payment directly to
27 Paramount for all invoices submitted.
- 28 c. The foregoing instructions are irrevocable and may not be amended, modified,
 revoked or changed in any way without the express prior written consent of
 Paramount. Client hereby grants Paramount a lien on the insurance proceeds and
 the right to receive such proceeds for services provided on the Client’s claim
 identified above and on any and all proceeds of any recovery obtained.

36. Based upon the conduct described in paragraph numbers 13-35, Respondent,
PARAMOUNT has acted, assumed to act, and/or represented itself to be a Public Insurance
Adjuster, as defined in California Insurance Code section 15007², without holding a license from

² “A public insurance adjuster within the meaning of this chapter is a person who, for compensation, acts on behalf of or aids in any manner, an insured in negotiating for or effecting the settlement of a claim or claims for loss or

1 the California Insurance Commissioner, by acting on behalf of or aiding an insured in negotiating
2 for or effecting the settlement of a claim or claims for loss or damage and advertising, soliciting
3 business, or holding himself out to the public as an adjuster of those claims, in direct violation of
4 California Insurance Code section 15006(a)³.

5 37. Based upon the conduct described in paragraph numbers 13-35, Respondent,
6 SLEPCEVIC has acted, assumed to act, and/or represented himself to be a Public Insurance
7 Adjuster, as defined in California Insurance Code section 15007, without holding a license from
8 the California Insurance Commissioner, by acting on behalf of or aiding an insured in negotiating
9 for or effecting the settlement of a claim or claims for loss or damage and advertising, soliciting
10 business, or holding himself out to the public as an adjuster of those claims, in direct violation of
11 California Insurance Code section 15006(a).

12 38. Based upon the conduct described in paragraph numbers 13-35, Respondent,
13 ROSE has acted, assumed to act, and/or represented himself to be a Public Insurance Adjuster, as
14 defined in California Insurance Code section 15007, without holding a license from the California
15 Insurance Commissioner, by acting on behalf of or aiding an insured in negotiating for or
16 effecting the settlement of a claim or claims for loss or damage and advertising, soliciting
17 business, or holding himself out to the public as an adjuster of those claims, in direct violation of
18 California Insurance Code section 15006(a).

19 39. Based upon the conduct described in paragraph numbers 13-35, Respondent,
20 TODD has acted, assumed to act, and/or represented himself to be a Public Insurance Adjuster, as
21 defined in California Insurance Code section 15007, without holding a license from the California
22 Insurance Commissioner, by acting on behalf of or aiding an insured in negotiating for or
23 effecting the settlement of a claim or claims for loss or damage and advertising, soliciting
24 business, or holding himself out to the public as an adjuster of those claims, in direct violation of
25 California Insurance Code section 15006(a).

26
27 damage under any policy of insurance covering real or personal property or any person who advertises, solicits
28 business, or hold himself or herself out to the public as an adjuster of those claims and any person who, for
compensation, investigates, settles, adjusts, advises, or assists an insured with reference to claims for those losses on
behalf of any public insurance adjuster.” (Cal. Ins. Code § 15007).

³ See California Insurance Code section 15006(a), supra.

40. Based upon the conduct described in paragraph numbers 13-35, Respondent, PARAMOUNT has aided and abetted Respondent SLEPCEVIC, has aided and abetted Respondent ROSE and/or has aided and abetted Respondent TODD in acting or representing himself to be a Public Insurance Adjuster without holding a license from the California Insurance Commissioner, by acting on behalf of or aiding an insured in negotiating for or effecting the settlement of a claim or claims for loss or damage and advertising, soliciting business, or holding himself out to the public as an adjuster of those claims, in direct violation of California Insurance Code sections 15006 and 12921.8(a)(2).

ORDER TO CEASE AND DESIST

NOW THEREFORE, Respondents **PARAMOUNT DISASTER RECOVERY, INC.**, **STEVE SLEPCEVIC**, **CHARLIE ROSE**, a.k.a. **REED LOSTMAN**, and **MATTHEW TODD** are HEREBY ORDERED to immediately CEASE AND DESIST from acting, assuming to act, or representing yourselves to be licensed Public Insurance Adjusters in the State of California, including but not limited to the following:

- a. Receiving compensation for acting on behalf of, or aiding in any manner, an insured in negotiating for or effecting the settlement of a claim or claims for loss or damage under any policy of insurance covering real or personal property in the State of California;
- b. Advertising, soliciting business, or holding yourselves out to the public as an adjuster of real or personal property claims; and,
- c. Receiving compensation for investigating, settling, adjusting, advising or assisting an insured with reference to any claims for losses associated with real or personal property in the State of California on behalf of any public insurance adjuster.

Respondent **PARAMOUNT DISASTER RECOVERY, INC.** is also HEREBY ORDERED to immediately CEASE AND DESIST from the following:

- a. Aiding and abetting any and all unlicensed individuals, including but not limited to **SLEPCEVIC, ROSE and TODD**, by paying them

1 compensation for acting on behalf of, or aiding in any manner, an insured
2 in negotiating for or effecting the settlement of a claim or claims for loss or
3 damage under any policy of insurance covering real or personal property in
4 the State of California;

5 b. Aiding and abetting any and all unlicensed individuals, including but not
6 limited to **SLEPCEVIC, ROSE and TODD**, by advertising, soliciting
7 business, or holding them out to the public as an adjuster of real or personal
8 property claims; and,

9 c. Aiding and abetting any and all unlicensed individuals, including but not
10 limited to **SLEPCEVIC, ROSE and TODD**, by paying them
11 compensation for investigating, settling, adjusting, advising or assisting an
12 insured with reference to any claims for losses associated with real or
13 personal property in the State of California on behalf of any public
14 insurance adjuster.

15 **ORDER TO SHOW CAUSE**

16 PLEASE TAKE NOTICE that the Insurance Commissioner may, pursuant to Insurance
17 Code section 12921.8(a)(3), impose a monetary penalty in the amount of five times the amount of
18 money received by the person for acting in the capacity for which a license, registration, or
19 certificate of authority was required but not possessed, or in the amount of five thousand dollars
20 (\$5,000.00) for each day the person acted in the capacity for which the license, registration, or
21 certificate of authority was required but not possessed. In the absence of contrary evidence, it
22 shall be presumed that a person continuously acted in a capacity for which a license, registration,
23 or certificate of authority was required on each day from the date of the earliest such act until the
24 date those acts were discontinued.

25 NOW THEREFORE, Respondents **PARAMOUNT DISASTER RECOVERY, INC.**,
26 **STEVE SLEPCEVIC, CHARLIE ROSE, a.k.a. REED LOSTMAN**, and **MATTHEW**
27 **TODD** are HEREBY ORDERED TO SHOW CAUSE why the Insurance Commissioner should
28 not impose, upon each or all of you, a monetary penalty, pursuant to California Insurance Code

1 section 12921.8(a)(3), which is the greater of the following: five times the amount of money
2 received by **PARAMOUNT, SLEPCEVIC, ROSE**, and/or **TODD** while acting, assuming to act,
3 or representing yourselves to be licensed Public Adjusters in the State of California, or five
4 thousand dollars (\$5,000.00) for each day **PARAMOUNT, SLEPCEVIC, ROSE** and/or **TODD**
5 have acted, assumed to act, or represented themselves to be licensed Public Insurance Adjusters
6 in the State of California.

7 **NOTICE OF RIGHT TO HEARING**

8 California Insurance Code section 12921.8(c), a copy of which is attached to this Cease
9 and Desist Order, provides in part, as follows:

10 “A person to whom a cease and desist order has been issued, may,
11 within seven days after service of the order, request a hearing by filing
12 a request for the hearing with the commissioner.”

13 If you desire a hearing in this matter, your written request for a hearing must be received
14 within seven days after you are served with this Order. The seven days begins to run on the day
15 after the day you are served, and if the seventh day falls on a weekend, the period in which your
16 request must be filed is extended to Monday or the next business day if Monday is a holiday.
17 Your written request for a hearing must be directed to: Rebecca M. Westmore, Senior
18 Staff Counsel, California Department of Insurance, 300 Capitol Mall, 17th Floor, Sacramento,
19 California 95814.

20 **NOTICE OF ADDITIONAL FINE**

21 PLEASE TAKE NOTICE that the Insurance Commissioner may, in addition to any and
22 all other powers and remedies identified herein⁴, pursuant to Insurance Code section 15006(d)⁵,
23 impose a fine of up to one hundred dollars (\$100.00) per day for each day this Order is violated,
24 in an amount up to five thousand dollars (\$5,000.00).

25 ⁴ See California Insurance Code section 15006(e), supra.

26 ⁵ “Any person who fails to comply fully with an order of the commissioner issued under subdivision (c) shall be
27 liable to the state for a civil penalty in an amount not exceeding one hundred dollars (\$100) per day that the violation
28 or failure to comply continues, but in no event to exceed a maximum amount of five thousand dollars (\$5,000). The
commissioner shall collect the amount so payable and may bring an action in a court of competent jurisdiction in the
name of the people of the State of California to enforce collection. This penalty is in addition to any other penalties
provided by law.” (Cal. Ins. Code § 15006(d).

1 IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal, this
2 14th day of August 2007.

3 STEVE POIZNER
4 Insurance Commissioner

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6 By: _____
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California Insurance Code Section 12921.8
Cease and desist orders.

(a) The commissioner may do the following:

(1) Issue a cease and desist order to a person who has acted in a capacity for which a license, registration, or certificate of authority from the commissioner was required but not possessed.

(2) Issue a cease and desist order to a person who has aided or abetted a person described in paragraph (1).

(3) Impose a monetary penalty, pursuant to an order to show cause, on a person described in paragraph (1) or (2). The monetary penalty shall be the greater of the following:

(A) Five times the amount of money received by the person for acting in the capacity for which the license, registration, or certificate of authority was required but not possessed.

(B) Five thousand dollars (\$5,000) for each day the person acted in the capacity for which the license, registration, or certificate of authority was required but not possessed. In the absence of contrary evidence, it shall be presumed that a person continuously acted in a capacity for which a license, registration, or certificate of authority was required on each day from the date of the earliest such act until the date those acts were discontinued, as proven by the person at a hearing.

(b) Notwithstanding paragraph (3) of subdivision (a), the commissioner shall not impose a monetary penalty under this Section on a person who has held a license or registration within the prior five years pursuant to Chapter 5 (commencing with Section 1621), Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), or Chapter 8 (commencing with Section 1831) of Part 2 of Division 1.

(c) A person to whom a cease and desist order or order to show cause has been issued, may, within seven days after service of the order, if a hearing has not already been scheduled by the commissioner, request a hearing by filing a request for the hearing with the commissioner. The hearing shall be conducted in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all the powers granted therein.

(d) A person who has a hearing pursuant to subdivision (c) shall be entitled to have the proceedings and the order of the commissioner reviewed by means of any remedy provided by the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).